(1)

Supreme Court, U.S.
FILED

94-49 JUL - 5 1994

OFFICE OF THE CLERK

No. _____

IN THE

SUPREME COURT OF THE UNITED STATES

OCTOBER TERM, 1993

SOLAR-KIST CORPORATION,

Petitioner,

vs.

CLOTILDE, INC.,

Respondent.

PETITION FOR A WRIT OF CERTIORARI TO THE UNITED STATES COURT OF APPEALS FOR THE FEDERAL CIRCUIT

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56pp

STATEMENT OF QUESTIONS PRESENTED FOR REVIEW

I. Did the Federal Circuit err in failing to use its supervisory powers to require the district court to fully articulate its factual findings and its application of the law to those findings in granting Defendant's motion for judgment as a matter of law under Fed. R. Civ. P. 50?

II. Does the seventh amendment require a district court granting judgment under Fed. R. Civ. P. 50 to make explicit findings to ensure adequate appellate review of a district court decision which denies the parties consideration of their claims by a jury?

III. Did the Federal Circuit err in summarily affirming a trial court judgment rendered without reference to or overt consideration of applicable law?

PARTIES TO THE PROCEEDING

The Petitioner and Respondent named in the caption of this case are the only parties to the proceeding.

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STATEMENT OF GROUNDS FOR JURISDICTION

The Judgment sought to be reviewed was entered on April 7, 1994 by the United States Court of Appeals for the Federal Circuit (App. A-1 to A-3). The United States Court of Appeals for the Federal Circuit has exclusive jurisdiction under 28 U.S.C. § 1295(a)(1) of an appeal from judgment of a district court relating to a patent. Jurisdiction is conferred on this Court by 28 U.S.C. § 1254 which provides that cases in the courts of appeals may be reviewed in this Court by a writ of certiorari granted upon the petition of any party.

CONSTITUTIONAL PROVISIONS, STATUTES, AND REGULATIONS INVOLVED IN THIS CASE

The Constitutional provision involved in this case is the seventh amendment which states:

AMENDMENT VII--CIVIL TRIALS

> In suits at common law, where the value in controversy shall exceed twenty dollars, the right of trial by jury shall be preserved, and no fact tried by a jury shall be otherwise reexamined in any Court of the United States, than according to the rules of the common law.

U.S. Const. amend. VII.

The pertinent statutes are 35 U.S.C. §§ 103 and 271, which state in their applicable portions:

> § 103. Conditions for patentability; non-obvious subject matter
>
> A patent may not be obtained though the invention is not identically disclosed or described as set forth in section 102 of this title, if the differences between the subject matter sought to be patented and the prior art are such that the subject matter as a whole would have been obvious at the time the invention was made to a person having ordinary skill in the art to which said subject matter pertains. Patentability shall not be negatived by the manner in which the invention was made.

35 U.S.C. § 103.

> (b) Whoever actively induces infringement of a patent shall be liable as an infringer.
>
> (c) Whoever sells a component of a patented machine, manufacture combination or composition, or a material or apparatus for use in practicing a patented process, constituting a material part of the invention, knowing the same to be especially made or especially adapted for use in an infringement of such patent, and not a staple article or commodity of commerce suitable for substantial noninfringing use, shall be liable as a contributory infringer.

Id. § 271(b)-(c).

The pertinent regulation is Rule 50(a) of the Federal Rules of Civil Procedure:

> Rule 50. Judgment as a Matter of Law in Actions Tried by Jury;
>
> (a) Judgment as a Matter of Law.
>
> (1) If during a trial by jury a party has been fully heard on an issue and there is no legally sufficient evidentiary basis for a reasonable jury to find for that party on that issue, the court may determine the issue against that

party and may grant a motion for judgment as a matter of law against that party with respect to a claim or defense that cannot under the controlling law be maintained or defeated without a favorable finding on that issue.

(2) Motions for judgment as a matter of law may be made at any time before submission of the case to the jury. Such a motion shall specify the judgment sought and the law and the facts on which the moving party is entitled to the judgment.

STATEMENT OF THE CASE

This is a case of patent infringement of two patents tried to a jury (Lodged).[1] At the end of all the testimony, the district court took the case away from the jury and issued a Judgment as a matter of law that both patents were invalid and not infringed (App. A-5). The Federal Circuit Court of Appeals affirmed without opinion.

One patent, U.S. 4,597,812, entitled "Handicraft Bonding," deals with a method for attaching fabrics to one another with fusible adhesive, which avoids the problem of contamination of the iron and fabric. The principal step of this patented method is to position a novel, thin, translucent, solid sheet made of Teflon

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[1]Twelve copies of U.S. Patent 4,597,812 and twelve copies of U.S. Patent 4,320,699 have been lodged with the clerk.

on the assembly of fabrics and adhesive. Heat and pressure is applied to the sheet to effect the bonding. The sheet does not adhere but is readily removable and reusable. A typical example of this invention is attaching decorations to fabric.

The second patent in suit, U.S. 4,320,699, entitled "Flexible Separable, Non-Stick Liners for Heated Cooking Surfaces," claims as its patented invention the combination of a separate, thin, solid, removable Teflon sheet with a frying pan or the like. This sheet enables the food to be easily removed from the pan to the plate, in contrast to pans where Teflon is bonded to the cooking surface. It is particularly useful for folding soft-cooked eggs to produce omelettes.

Clotilde, Inc., Defendant, a national distributor of sewing products, began to purchase the thin Teflon sheets from Solar-Kist beginning in 1983. Clotilde's catalogs and packaging explain to the consumer how the sheets are to be used in fabric bonding or with a frying pan.

In 1990 Clotilde stopped purchasing from Solar-Kist and began to sell Teflon sheets substantially identical to the Solar-Kist sheets and advertised by Clotilde in the same manner that it had previously advertised Solar-Kist's products. The sheets sold by Clotilde have only one purpose, namely, to be used in the practice of one or the other of the two Solar-Kist patents. They have no other use.

ARGUMENT

I. THE FEDERAL CIRCUIT ERRED IN AFFIRMING A JUDGMENT RENDERED UNDER FED. R. CIV. P. 50(A) WITHOUT REQUIRING THE DISTRICT COURT TO PROVIDE A FULL AND CLEAR STATEMENT OF THE FACTS AND LEGAL PRINCIPLES ON WHICH THAT JUDGMENT WAS BASED.

Fed. R. Civ. P. 50(a) authorizes entry of judgment as a matter of law against either party prior to submission of the cause to a jury[2] whenever that party

> has been fully heard on an issue and there is no legally sufficient evidentiary basis for a reasonable jury to find for that party on that issue [and the party's claim or defense] cannot under the controlling law be maintained . . . without a favorable finding on that issue.

Fed. R. Civ. P. 50(a)(1).

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[2]A judgment as a matter of law rendered under Rule 50(a) is the equivalent of the former directed verdict; a judgment as a matter of law rendered under Rule 50(b) is the equivalent of the former judgment n.o.v.

Rule 50 contains no specific requirement that the trial court articulate the basis for its decision to grant a motion for judgment as a matter of law.[3] This Court, however, has set specific standards for ruling on a Rule 50(a) motion, standards which mirror those applicable to ruling on a motion for summary judgment under Rule 56. Anderson v. Liberty Lobby, Inc., 477 U.S. 242, 251,

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[3]A motion for judgment as a matter of law under Rule 50(a)(1) must "specify the judgment sought and the law and the facts on which the moving party is entitled to the judgment." Fed. R. Civ. P. 50(a)(2). The purpose of this requirement is to provide the nonmovant with an adequate opportunity to cure any defects in his claim or defense. 1991 Amendment to Rule 50 Advisory Committee Notes. A full statement by the court might not be necessary in situations where that court specifically relies on the reasons for judgment presented with the motion. Here, however, the district court did not adopt a rationale for judgment fully articulated by the defendant, but instead set forth its own incomplete and inadequate reasons for entering judgment as a matter of law.

106 S. Ct. 2505, 2512 (1986). When ruling on either motion, the trial court's inquiry is "whether the evidence presents a sufficient disagreement to require submission to a jury or whether it is so one-sided that one party must prevail as a matter of law." 477 U.S. at 251-52, 106 S. Ct. at 2512. This inquiry "necessarily implicates the substantive evidentiary standard of proof that would apply at the trial on the merits." 477 U.S. at 252, 106 S. Ct. at 2512, and thus the trial court "must view the evidence presented through the prism of the substantive evidentiary burden." 477 U.S. at 254, 106 S. Ct. at 2513.

Consideration of the applicable burden of proof does not change the basic principle that "[t]he evidence of the nonmovant is to be believed, and all justifiable inferences are to be drawn in

his favor." 477 U.S. at 255, 106 S. Ct. at 2513. "Credibility determinations, the weighing of the evidence, and the drawing of legitimate inferences from the facts are jury functions, not those of a judge, whether he is ruling on a motion for summary judgment or for a directed verdict." 477 U.S. at 255, 106 S. Ct. at 2513.

Clearly, adequate appellate review of a Rule 50(a) judgment is impossible where the trial court fails to articulate why the case fits within the criteria for such judgments established by this Court. The Third Circuit Court of Appeals, recognizing this problem, has exercised its supervisory authority over the district courts in its circuit to require those courts to set forth an explanation sufficient for the reviewing court to understand the legal premise for any

order granting a motion for judgment prior to submission of the cause to a jury. Sowell v. Butcher & Singer, Inc., 926 F.2d 289, 295 (3d Cir. 1991). The Sixth Circuit Court of Appeals, in contrast, has adopted a more limited requirement, merely encouraging district courts "to render opinions justifying their actions when granting motions for directed verdicts in jury cases under Rule 50(a)," Garrison v. Jervis B. Webb Co., 583 F.2d 258, 261 n.3 (6th Cir. 1978), but requiring a decision granting a motion for judgment prior to the close of all the evidence to be accompanied by a specific statement of the dispositive issues and controlling law on which that decision is based:

> Although it is not explicitly required by Rule 50, we believe it is implicit that in granting a motion for judgment as a matter of law before the conclusion of all the evidence, it is

> incumbent on the trial court to specify the materiality of the dispositive issue and the controlling law which indicates that the nonmoving party has failed to carry its burden of proof in regard to that issue.

Francis v. Clark Equipment Co., 993 F.2d 545, 555 (6th Cir. 1993). The Seventh Circuit, the only other circuit which appears to have considered the question at all, rejected without discussion an argument that findings of fact are required when a directed verdict (now judgment as a matter of law) is rendered under Rule 50. Weir v. Chicago Plastering Institute, 272 F.2d 883 (7th Cir. 1959).

II. A DISTRICT COURT GRANTING JUDGMENT UNDER FED. R. CIV. P. 50 MUST MAKE EXPLICIT FINDINGS AS TO WHAT FACTS ARE NOT GENUINELY DISPUTED AND THEIR SIGNIFICANCE WITH RESPECT TO THE NONMOVANT'S CLAIM OR DEFENSE TO ENSURE ADEQUATE APPELLATE REVIEW OF THE DISTRICT COURT DECISION TO DENY THE PARTIES THE JURY CONSIDERATION OF THEIR CLAIMS GUARANTEED BY THE SEVENTH AMENDMENT.

The seventh amendment of the United States Constitution guarantees the right to a jury trial in certain types of cases. The question of obviousness of a patent is a question of fact for resolution by a jury where there is any dispute as to the facts on which the obviousness determination must be made. Graham v. John Deere Co., 383 U.S. 1, 17-18, 86 S. Ct. 684, 693-94 (1966).

A judgment as a matter of law under Rule 50 does not deprive the parties of their seventh amendment right to trial by a jury where there is no real factual dispute to be resolved. Galloway v.

United States, 319 U.S. 372, 389, 63 S. Ct. 1077, 1986 (1943); see 9 C. Wright & A. Miller, Federal Practice and Procedure § 2522 at 538 (1971). Adequate appellate review of such a judgment, however, is imperative to ensure that the parties' seventh amendment rights are protected. Such a review is impossible where the district court fails to fully articulate its reasons for concluding that no factual dispute exists for resolution by the jury. Cf. Dennison Manufacturing Co. v. Panduit Corp., 475 U.S. 809, 811, 106 S. Ct. 1578, 1579 (1986) (where Federal Circuit failed to explicitly apply "clearly erroneous" standard to district court determination of obviousness or to explain why such standard was inapplicable, judgment vacated and cause remanded for further consideration in light of applicable rule). At a minimum, the

trial court must indicate the facts which are indisputable under the evidence and the significance of those facts under the applicable law. See Anderson v. Liberty Lobby, Inc., supra, 477 U.S. at 255, 106 S. Ct. at 2513.

The district court did not even mention, much less analyze, the evidence presented at trial. It pointed to no specific factual disputes for which it believed there could be only one resolution. There is no indication that it had even heard the evidence presented by Plaintiff on obviousness, for it never even mentioned the testimony of Binks and Schwarz (Capp. 23-103, 147-166)[4] concerning the problems solved by the claimed inventions. It made no reference to the portion of the testimony and documentary

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[4]"Capp." references are to pages in the Appendix to the Appellant's Brief in the court of appeals.

evidence (Capp. 192, 196, 198, 202) presented by Plaintiff in support of its claim that Defendant had induced infringement by others or that the thin Teflon sheets actually sold by Defendant were not staple articles of commerce. The record contains nothing to show that the trial court applied the appropriate standard in granting judgment for Defendant as a matter of law. On the contrary, the court's oral judgment appears to reflect its own determination of the facts, an impermissible basis on which to grant judgment under Rule 50(a).

By affirming the district court judgment, the Federal Circuit has approved a judgment rendered in contravention of the clear standards set out by this Court in Anderson v. Liberty Lobby, Inc., supra, and thus failed to fulfill its obligation to protect Plaintiff's

seventh amendment right to a jury trial where material facts are in dispute.

III. THE FEDERAL CIRCUIT ERRED IN SUMMARILY AFFIRMING THE TRIAL COURT'S JUDGMENT WHEN THAT JUDGMENT WAS RENDERED WITHOUT REFERENCE TO OR OVERT CONSIDERATION OF APPLICABLE LAW.

A. The Federal Circuit Erred In Failing To Reverse The Judgment On The Ground That The District Court Failed To Consider The Factors Which This Court Has Ruled Must Be Considered In Making A Determination That A Patent Is Invalid For Obviousness.

In Graham v. John Deere Co., supra, this Court set out specific factors that must be considered in determining whether a patent is invalid for obviousness:

> Under [35 U.S.C.] § 103, the scope and content of the prior art are to be determined; differences between the prior art and the claims at issue are to be ascertained; and the level of ordinary skill in the pertinent art resolved. Against this background, the obviousness or nonobviousness of the subject matter is determined.

> Such secondary considerations as commercial success, long felt but unresolved needs, failure of others, etc., might be utilized to give light to the circumstances surrounding the origin of the subject matter sought to be patented. As indicia of obviousness or non-obviousness, these inquiries may have relevancy.

383 U.S. at 17-18, 86 S. Ct. at 693-94.

The district court's oral statements accompanying its decision to grant judgment for defendant under Fed. R. Civ. P. 50 include no reference whatsoever to the Graham factors. The district court made no explicit attempt to determine for either patent what precisely was claimed, the scope and content of the prior art, the differences between the prior art and the claims in issue, or the level of ordinary skill in the pertinent art. It made no reference whatsoever to the secondary considerations pertinent to the obviousness inquiry, although evidence on

commercial success had been presented by both parties (App. A-13 to A-14; Capp. 82-83, 249, 252, 258). Instead, the district court, apparently following its own view of the evidence and perhaps even relying on its own familiarity with Teflon-coated cooking utensils, concluded that the patents in issue were invalid as obvious simply because Teflon-coated utensils had been in use for many years prior to the dates the patents issued (App. A-7, A-13 to A-16).

By affirming this judgment without opinion, the Federal Circuit not only allowed the district court to ignore the clear mandate of Graham but also failed to rectify the error by making its own review of the case in light of the Graham factors. This error is particularly egregious in light of the congressional purposes for which the Federal Circuit

was given exclusive jurisdiction over appeals in patent cases. When Congress created the Court of Appeals for the Federal Circuit, it gave that court exclusive appellate jurisdiction over patent infringement claims in order to "increase doctrinal stability in the field of patent law" and to provide for "uniformity of doctrinal development in the patent area," in part so that those relying on the patent system would have "more stable and predictable law" to guide their business planning. S. Rep. No. 97-275, 2d Sess., 97th Cong., reprinted in 1982 U.S. Code Cong. & Admin. News 11, 15-16. By allowing a district court to ignore law clearly established by this Court as applicable to determinations of obviousness without at the very least explaining why the resulting judgment is harmonious with that law, the

Federal Circuit has wholly failed to fulfill the responsibility for which it was given exclusive jurisdiction over appeals in patent infringement actions.

B. The Federal Circuit Erred In Failing To Reverse The Judgment On The Ground That The District Court Failed To Consider The Factors Which Must Be Considered In Making A Determination That A Patent Is Infringed Under 35 U.S.C. §§ 171(b) Or 171(c).

Even where there is no direct infringement of a patent by the defendant, liability for infringement of a patent may arise whenever the defendant "actively induces infringement of a patent," 35 U.S.C. § 171(b), or sells "a material . . . for use in practicing a patented process [which is] not a staple article of commodity for commerce suitable for substantial noninfringing use." Id. § 171(c). In concluding that in-

fringement could not be found on the evidence presented at trial, the district court made no reference whatsoever to Plaintiff's claim of infringement under § 171(b), despite ample evidence that Defendant's advertising suggested and encouraged its customers to use its product to practice the invention claimed in the '812 Patent (Capp. 192, 196, 198, 202). The district court focused solely on Plaintiff's contributory infringement claim under 35 U.S.C. § 171(c) in concluding that no infringement could be found (App. A-8 to A-12).

The district court's discussion of contributory infringement is itself defective, for it contains no reference to and does not follow the analysis mandated by this court for making a determination on whether a particular activity constitutes contributory infringement. The

district court referred to a single decision of this court, Dawson Chemical Co. v. Rohm & Haas Co., 448 U.S. 176, 100 S. Ct. 2601 (1980), as the basis for its ruling (App. A-10 to A-12). In Dawson Chemical Co., the parties had stipulated that the defendant's activities constituted contributory infringement for which it could be held liable unless the plaintiff's sale of a particular chemical constituted misuse of the patent under 35 U.S.C. § 171(d). 448 U.S. at 185-86, 101 S. Ct. at 2608. The district court below noted that this stipulation had been made, but viewed the stipulation only as a basis for distinguishing the case from the one before it (App. A-12). It essentially ignored the fact that the Dawson Chemical Co. decision dealt entirely with the resolution of the tension and potential conflict between § 271(c) and §

271(d) of the Act rather than how the staple/nonstaple distinction must be made.

The district court did not refer to or follow any decision directly considering how a claim of contributory infringement should be analyzed. Indeed, its oral statement of its rationale is directly contrary to the approach which the Federal Circuit has concluded is proper. In Hodosh v. Block Drug Co., 833 F.2d 1575, 1577, 1579-80 (Fed. Cir. 1987), the Federal Circuit specifically held that a court considering whether a particular article was a staple or nonstaple item of commerce for purposes of a contributory infringement claim must focus on the defendant's actions, id. at 1577, and must consider the product actually sold by defendant, not merely an ingredient of that product, in making the staple/nonstaple

determination. Id. at 1578-80. The district court did not so limit its inquiry, referring broadly to the use of the chemical commonly known as Teflon rather than focusing on the particular product composed of that chemical which was sold by Defendant (App. A-8 to A-10). It totally ignored the conflicting evidence presented by the parties as to whether the thin Teflon sheets actually sold by Defendant had substantial noninfringing commercial uses.

The Federal Circuit clearly erred in summarily affirming the district court judgment despite the obvious failure of the district court to (1) even consider Plaintiff's inducement-of-infringement claim and (2) analyze the claim of contributory infringement by focusing on Defendant's behavior in selling the particular form of Teflon sold by Defend-

ant. As with the obviousness issue, the Federal Court's summary affirmance had the effect of approving the district court's action in ignoring clearly established legal principles. The Federal Circuit's failure to either reverse the judgment or to explain why applicable law supported it constituted a clear failure to fulfill the basic purpose for which that court was given exclusive jurisdiction over patent appeals.

CONCLUSION

As shown in the discussion above, the petition for certiorari should be granted so that this Court can determine whether the Federal Circuit has properly fulfilled its appellate review responsibilities. If error is found, the cause should be remanded to the Federal Circuit for reconsideration of the appeal to that court on the merits.

Respectfully submitted,

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No._____

IN THE

SUPREME COURT OF THE UNITED STATES

OCTOBER TERM, 1993

SOLAR-KIST CORPORATION,

Petitioner,

vs.

CLOTILDE, INC.,

Respondent.

APPENDIX

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UNITED STATES COURT OF APPEALS
FOR THE FEDERAL CIRCUIT

NOTICE OF ENTRY OF
JUDGMENT WITHOUT OPINION

JUDGMENT ENTERED: April 7, 1994

The judgment of the court in your case was entered today pursuant to Rule 36. This Court affirmed the judgment or decision that was appealed. None of the relief sought in the appeal was granted. No opinion accompanied the judgment. The mandate will be issued in due course.

Costs are taxed against the Appellant(s) in favor of the Appellee(s) under Rule 39. The party entitled to costs is provided a bill-of-costs form and an instruction sheet with this notice.

The parties are encouraged to stipulate to the costs. A bill of costs will be presumed correct in the absence of a timely filed objection.

Costs are payable to the party awarded its costs. If costs are awarded to the government, they should be paid to the Treasurer of the United States. Payment should be made to counsel for the party awarded costs or, if the party is not represented by counsel, to the party pro se. Payment of costs should not be sent to the court. Costs should be paid promptly.

Exhibits and visual aids shall be promptly retrieved by the party that lodged them with this court.

FRANCIS X. GINDHART
Clerk

cc: JOSEPH ZALLEN
JOHN H. OLTMAN

SOLAR-KIST V CLOTILDE, 94-1031
(DCT SD/FL - 91-CV-6658)

NOTE: Pursuant to Fed. Cir. R. 47.6, this disposition is not citable as precedent. It is a public record. The disposition will appear in tables published periodically.

UNITED STATES COURT OF APPEALS
IN THE FEDERAL CIRCUIT

94-1031

SOLAR-KIST CORPORATION,

Plaintiff-Appellant,

v.

CLOTILDE, INC.,

Defendant-Appellee

Judgment

ON APPEAL from the United States District Court for the Southern District of Florida
in CASE NO(S). 91-CV-6658

This CAUSE having been heard and considered it is ORDERED and ADJUDGED:

Per Curiam: (RICH, MICHEL, and LOURIE, Circuit Judges):

AFFIRMED. See Fed. Cir. R. 36.

ENTERED BY ORDER OF THE COURT

Francis X. Gindhart, Clerk

DATED APR 7 - 1994

FILED
U.S. COURT OF APPEALS
FOR THE FEDERAL CIRCUIT

APR 7 - 1994

FRANCIS X. GINDHART
CLERK

ISSUED AS A MANDATE: April 28, 1994

UNITED STATES DISTRICT COURT
SOUTHERN DISTRICT OF FLORIDA

CASE NO. 91-6658-CIV-RYSKAMP

SOLAR-KIST CORPORATION,

Plaintiff,

vs.

U.S. DIST. CT.
CLOTILDE, INC.,

Defendant.
_____/

FILED by SF D.C.
SEP 9 - 1993
T.G. CHELEOTIS
CLERK

S.D. OF FLA.
W.P.B.

FINAL JUDGMENT

THIS CAUSE came before the Court for trial by jury. At the conclusion of the evidence, the defendant moved for a directed verdict. The Court granted the directed verdict for reasons stated in open court. The Court found that the defendant could not be a contributory infringer in the sale of sheets of teflon because teflon is a staple. The Court further found that both the plaintiff's patents (4,320,699 and 4,597,812) are

invalid because prior art made the claims obvious. Accordingly, final judgment is hereby entered for the defendant on the complaint and judgment is entered for the defendant-counter-plaintiff on the counterclaim. The patents (4,320,699 and 4,597,812) are declared invalid.

DONE AND ORDERED in chambers at the United States District Court, West Palm Beach, Florida, this 8 day of September 1993.

KENNETH L. RYSKAMP
UNITED STATES DISTRICT JUDGE

copies provided:
all counsel of record

THE COURT: All right, thank you.

Yesterday I indicated that I would let this matter go to the jury, and frankly I worked yesterday evening and this morning in trying to shape the issues that would go to the jury. In so doing I read a number of these cases that counsel has been kind enough to provide to me and I have decided to change my mind. I am not going to submit this to the jury. I will grant the defendant's motion for directed verdict and I will make the following statement as to the reasons.

The plaintiff brings this lawsuit seeking to enforce its patents dealing with the use of very thin teflon in conjunction with ironing and in conjunction with cooking. In so doing they are alleging that by selling thin teflon that

the defendant is a contributory infringer.

Now, the initial issue to decide when someone who has a patent and has a material that is part of their patent that is not patentable and they are trying to restrict the sale of that material unless it is sold in conjunction with their patent is the question of whether or not the material that is not patented is a staple or a nonstaple.

Now, it's clear that teflon as such is a staple. Teflon has been around for quite some time. It has been used primarily in conditions where people are generating heat and they don't want something to stick to it. I guess the classic example is a teflon frying pan.

But teflon has many other uses. The term teflon is so much in the common parlance that when President Reagan was in

office he was called the teflon man because anything they threw at him, nothing stuck. No matter what they charged him with it seemed like it wouldn't stick, so everybody knew what they were talking about when they called him the teflon president.

The contention is being made that a thin teflon as opposed to thick teflon is something new and a different product. The allegation of contributory infringement was made by the plaintiff and the plaintiff would have the burden of establishing that this teflon is a non-staple.

We already know of at least two different uses for it and we have identified other uses that aren't even included in the claims of the plaintiff here.

Some argument has been made that this stuff was not readily available, but

it was available. Somebody was making it. Somebody had the machinery to make it. There hasn't been any showing that it was nonexistent. It may be that industry was using it and a whole other area that wasn't even explored is how do pot and pan manufacturers go about placing teflon, how do they go about bonding it to the metal. We don't know. Do they take a thin sheet of it and through some electric process do they adhere it like a fusible, make it fusible to the metal? Well, we don't know.

In any event, I would find that teflon is a staple and therefore the contributory infringement claim must fail for lack of proof that it is a nonstaple.

Now, in reading the Dawson Chemical Company case v. Rohm & Haas, which is a very long opinion, it appears that over the years there has been considerable

confusion in the courts regarding the contributory infringement claim and a misuse of the patent defense, and the cases seem to have been kind of all over the lot and the patent attorneys urged Congress to enact legislation that would protect them, protect some of these patents.

The Supreme Court went into lengthy analysis of what the legislative history was because the claims that were presented in Dawson Chemical didn't come within the clear language of the statute, and what it resulted in was a five to four decision by the Supreme Court with a vigorous dissent by the four stating the patent issues doctrine should be recognized and shouldn't be overcome by this particular statute.

I am not going to go into all the details and the various contentions of

the majority and the minority. I think I can sufficiently distinguish the Dawson Chemical case by the virtual stipulation that the chemical there, which they called, I don't know if I can put my hands on it right away, the chemical that was only useful in this agricultural purpose of trying to defoliate weeds that were growing among the rice without damaging the rice. It's called propanil, the shortened name for a much longer chemical term.

That leaves the consequence of such a ruling is that the plaintiff cannot protest or enforce or protect the sale of thin teflon because that is not included in its patent. In fact, one of the patents doesn't even identify teflon as being the substance although the other one does.

Now, what the patent claims do is attempt to have a method patented. The first method would be to use a nonstick material as a liner for heated cooking surfaces and in this case they identify it as teflon.

Prior to that time cooks used usually bag paper that was dampened to achieve the same results, maybe without the same degree of success, but the fact is that the idea of using a liner in a cooking surface is not new. That's been around for years and years and the goal all along would be to use a nonstick surface. I assume if the heat did not get too high you might be able to use wax paper in a limited way. I believe even cookies were baked on wax paper and had been so done for a number of years.

So the fact that teflon is heat resistant and nonstick seems to be a total

obvious use of it and I find that the granting of a patent for lining pans with a nonstick material is so obvious that the patent is invalid and I would hold that patent to be invalid on the basis of obviousness.

Now, the other patent claim, handy-craft bonding, there is no question that the procedure of using a fusible material between two other materials to bond the materials has been around for a long time. Stitchwitchery had put out this material that had been used. You apply heat, you melt the material and it bonds the fabrics together.

The only thing different about this is to add the piece of teflon there, which is heat resistant and nonstick. In the past I am sure wax paper or muslin, what is that other fabric that was mentioned --

MR. OLTMAN: Cheesecloth.

THE COURT: Cheesecloth was used, a diaper was used. People have been improvising for years, and once the attributes of teflon were known, the obviousness of using teflon is there, so I don't see anything here that is a patentable idea.

I give deference to the patent examiners, although sometimes I wonder about some of the things they grant patents on, but I would find that this patent also is invalid on the basis of obviousness.

I don't find that there are any issues that go to the jury that need resolution. I find that the facts are without dispute. It's just a matter of applying the law.

I am sure there will be an appeal and maybe the Court of Appeals will grant some insight into this. We will give

them a clear issue to rule on, but I feel certainly contributory infringement is not present here because this material is a staple.

I think the uses are obvious. It would be ludicrous to even attempt to enforce this patent. People can go out and buy this material. What the plaintiff is trying to do is prohibit the sale of thin teflon so that people can go out and line their pans or iron with it and it just doesn't make any sense that somebody would have a patent to prohibit the use of thin teflon in such a way when teflon isn't even being protected by a patent.

What I will do is I will enter a final judgment for the defendant. I will adopt the finding of fact and conclusions of law that I have made in open court

without repeating them and judgment will be entered accordingly.

Is there anything else you feel that I should rule upon before we leave or have I covered everything? I know you are not happy with the ruling, but that's the way I see it.

MR. OLTMAN: I believe you have covered it all, your Honor.

THE COURT: All right.

MR. ZALLEN: May I ask one question, your Honor?

THE COURT: Yes.

MR. ZALLEN: Your Honor is going to issue a written final judgment and will the findings that you have dictated be part of the document?

THE COURT: No, I will just adopt them by reference. I will adopt by reference whatever I said and the court reporter is taking it down.

MR. ZALLEN: We can obtain a copy of your findings?

THE COURT: That's correct. It will be part of the transcript.